

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

| | | |
|-----------------|---|-----------------------|
| IN RE: | § | |
| | § | CASE NO. 24-10120-smr |
| | § | |
| TEXAS REIT, LLC | § | |
| | § | |
| Debtor | § | CHAPTER 11 |

**DEBTOR'S RESPONSE TO WCW HOUSTON PROPERTIES, LLC MOTION TO ANNUL
AUTOMATIC STAY, OR IN THE ALTERNATIVE, MOTION TO LIFT AUTOMATIC
STAY**

COMES NOW Debtor, Texas Reit, LLC ("Debtor") and files this Response to WCW Houston Properties, LLC Motion to Annul Automatic Stay, or In the Alternative, Motion to Lift Automatic Stay ("Motion") and states as follows:

1. Debtor admits that it filed at approximately 9:49 a.m. Debtor denies the remaining allegations in paragraph 1.
2. Debtor denies the allegations in paragraph 2.
3. Debtor admits the allegations in paragraph 3.
4. Debtor admits the allegations in paragraph 4.
5. Debtor admits the allegations in paragraph 5.
6. Debtor admits the allegations in paragraph 6.
7. Debtor admits the allegations in paragraph 7.
8. Debtor admits the allegations in paragraph 8.
9. Debtor admits the allegations in paragraph 9.
10. Debtor denies the first sentence of paragraph 10. Debtor admits the second sentence of paragraph 10.
11. Debtor admits that Chaudhri is the owner of Dalio. Debtor denies the remaining allegations of

para. 11..

12. Debtor admits the first two sentences of para. 12. Debtor denies the remaining allegations in paragraph 12.

13. Debtor denies the allegations in paragraph 13.

14. Debtor denies the allegations in paragraph 14.

15. Debtor denies the allegations in paragraph 15.

16. Debtor denies the allegations in paragraph 16.

17. Debtor denies allegations in paragraph 17.

18. Debtor denies the allegations in paragraph 18.

19. Debtor admits that an arbitration action was filed and that rescission deeds were filed. Debtor denies the remainder of para. 19..

20. Debtor admits that WCW obtained the judgment. The judgment is presently on appeal and has been fully briefed.

21. Debtor admits the allegations in paragraph 21.

22. Debtor admits that the Trial Court entered the Order requiring a supersedeas bond.

23. Debtor admits the allegations in paragraph 23.

24. Debtor admits that WCW noticed the foreclosure to occur on January 2, 2024 and that it obtained the temporary restraining order. Debtor denies the remainder of para. 24.

25. Debtor admits the allegations in paragraph 25.

26. Debtor admits that WCW noticed the foreclosure sale and that Debtor sought a temporary restraining order. Debtor denies the remainder of para. 26.

27. Debtor admits that Ali Choudhri informed counsel for WCW that he had authorized a bankruptcy filing. Debtor denies the remainder of para. 27..

28. Debtor denies the allegations in paragraph 28.

29. Debtor admits that its counsel provided notice of the bankruptcy at approximately 9:51 a.m.

Debtor denies the remaining allegations of para. 29..

30. Debtor denies the allegations in paragraph 30.

31. Debtor denies allegations in paragraph 31.

32. Debtor denies the allegations in paragraph 32.

33. Debtor admits the allegations in paragraph 33.

34. Paragraph 34 is legal argument and does not contain factual allegations requiring a response.

35. Paragraph 35 is legal argument and does not contain factual allegations requiring a response.

36. Paragraph 36 is legal argument and does not contain factual allegations requiring a response.

37. Paragraph 37 is legal argument and does not contain factual allegations requiring a response.

38. Paragraph 38 is legal argument and does not contain factual allegations requiring a response.

39. Debtor denies the allegations in paragraph 39.

40. Debtor denies the allegations in paragraph 40.

41. Debtor denies the allegations in paragraph 41.

42. Debtor denies the allegations in paragraph 42.

43. Debtor denies the allegations in paragraph 43.

44. Debtor denies the allegations in paragraph 44.

45. Debtor denies the allegations in paragraph 45.

46. Debtor denies the allegations in paragraph 46.

47. Debtor denies the allegations in paragraph 47.

48. Debtor denies the allegations in paragraph 48.

49. Debtor denies the allegations in paragraph 49.

50. Debtor denies the allegations in paragraph 50.

51. Paragraph 51 contains legal argument and does not contain factual allegations requiring admission or denial.

52. Paragraph 52 contains legal argument and does not contain factual allegations requiring admission

or denial.

53. Debtor denies the allegations in paragraph 53.

54. Paragraph 54 contains legal argument and does not contain factual allegations requiring admission or denial.

55. Debtor denies the allegations in paragraph 55.

56. Debtor denies the allegations in paragraph 56.

57. Debtor admits the first sentence in paragraph 57. Debtor denies the remainder of para. 57.

58. Debtor denies the allegations in paragraph 58.

59. Debtor denies the allegations in paragraph 59.

60. Debtor denies the allegations in paragraph 60.

61. Paragraph 61 contains legal argument and does not contain factual allegations requiring admission or denial.

62. Debtor denies the allegations in paragraph 62.

63. Debtor denies the allegations in paragraph 63.

64. Debtor denies the allegations in paragraph 64.

65. Debtor denies the allegations of para. 65.

66. Paragraph 66 contains legal argument and does not contain factual allegations requiring admission or denial.

67. Debtor denies the allegations in paragraph 67.

68. Debtor denies the allegations in paragraph 68.

69. Debtor denies the allegations in paragraph 69.

70. This case involves an appeal from a bizarre state court order that grant equitable subordination, a remedy unknown in state law. (The same judge issued an order appointing a receiver over Debtor after receiving notice of the automatic stay). The case also involves a highly suspect summary judgment which denied Debtor's affirmative defense of statute of limitation. The case

is fully briefed and set for submission as of November 20, 2023.

71. Movant has taken the position that Debtor has a positive net worth and prevailed on that position in the Trial Court and Court of Appeals. WCW is judicially estopped to argue otherwise in this court.
72. The property generates positive cash flow and Debtor will be able to make adequate protection payments.
73. Counsel's willful blindness in intentionally carrying a phone which did not include email makes annulling the stay inequitable. Movant's counsel also acted inequitably by failing to communicate with Debtor's counsel despite being notified that Debtor's counsel represented Texas REIT, LLC and requested that he be included in any communications.

Dated: March 4, 2024

Respectfully Submitted,

BARRON & NEWBURGER, P.C.
7320 N. Mopac Expwy, Suite 400
Austin, Texas 78731
(512) 476-9103 Ext. 220
(512) 476-9253 Facsimile

/s/Stephen W. Sather
Stephen W. Sather
State Bar No. 17657520

Counsel to Debtor

CERTIFICATE OF SERVICE

I certify that on March 4, 2024, a true and correct copy of the foregoing document was served, to the parties on the attached Matrix, the Court's CM/ECF noticing system to all parties registered to receive such service, or via First Class US Mail, postage pre-paid.

/s/Stephen W. Sather
Stephen W. Sather

Label Matrix for local noticing
0542-1
Case 24-10120-smr
Western District of Texas
Austin
Tue Feb 20 10:39:13 CST 2024

Texas REIT, LLC
2450 Wickersham Lane, Suite 202
Austin, TX 78741-4744

U.S. BANKRUPTCY COURT
903 SAN JACINTO, SUITE 322
AUSTIN, TX 78701-2450

Caz Creek Lending
118 Vintage Park Blvd No. W
Houston, TX 77070-4095

City of Houston
c/o Tara L. Grundemeier
Linebarger Goggan Blair & Sampson LLP
PO Box 3064
Houston, TX 77253-3064

Dalio Holdings I, LLC
2425 West Loop South Suite 77027-4210

(p)OVATION SERVICES
ATTN BANKRUPTCY DEPT
1114 LOST CREEK BLVD
SUITE 125
AUSTIN TX 78746-6175

Harris County Tax Assessor
Po Box 4622
Houston, TX 77210-4622

Houston ISD
P.O.Box 4668
Houston, TX 77210-4668

Jetall Companies, Inc.
2425 West Loop South Suite 1100
Houston, TX 77027-4210

John Quinlan
c/o Steven A. Leyh
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Osama Abdullatif
c/o Steven A. Leyh
Hoover Slovacek, LLP
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Steadfast 829 Holdings, Inc.
c/o Rodney Drinnon
McCathern
2000 West Loop South Suite 1850
Houston, TX 77027-3744

United States Trustee - AU12
United States Trustee
903 San Jacinto Blvd, Suite 230
Austin, TX 78701-2450

WCW Houston Properties, LLC
Attn: Tami Kim Broker Associate/Attorne
6100 Corporate Drive, Suite 319
Houston, TX 77036-3433

WCW Houston Properties, LLC
c/o Matthew Kevin Powers
Burford Perry
909 Fannin, Suite 2630
Houston, TX 77010-1003

c/o Steven A. Leyh
Hoover Slovacek, LLP
5051 Westheimer, Suite 1200
Houston, Texas 77056-5839

Stephen W. Sather
Barron & Newburger, PC
7320 N MoPac Expy, Suite 400
Austin, TX 78731-2347

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified
by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

FGMS Holdings, LLC
12000 Network Blvd., Bldg. B Suite 210
San Antonio, TX 78249

End of Label Matrix
Mailable recipients 18
Bypassed recipients 0
Total 18